

**95.874 Records and accounts -- Accurate system to be maintained.**

- (1) An adequate system of accounts and records shall be established and maintained for the fund that will reflect fully the requirements of the provisions of KRS 95.851 to 95.884 and KRS 95.991. This system shall be integrated, to the extent possible with the accounts, records, and procedures of the city to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.
- (2) All assets of the fund shall be credited according to the purposes for which they are held in the following designated reserve accounts:
  - (a) **Members' Contribution Reserve.** The amounts contributed by the members, including those employee contributions picked up by the employer pursuant to KRS 65.155, shall be credited to this reserve, together with regular interest thereon as herein provided. An individual account shall be maintained for each member, to which shall be credited the amounts of his contributions. Upon the granting of a service retirement annuity, disability annuity, or survivor's annuity or benefit, the accumulated contributions to the credit of the member concerned shall be transferred from this reserve to the retirement reserve. Refunds and death payments representing member's contributions shall be charged to this reserve.
  - (b) **Employer's Contribution Reserve.** The amounts contributed by the city under the provisions hereof, for service retirement annuity, disability retirement annuity, and benefits to survivors covering membership service and prior service, shall be credited to this reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, an amount representing the excess of the actuarial value of the annuity, or benefit over the accumulated contributions of the member, shall be transferred from this reserve to the retirement reserve.
  - (c) **Retirement Reserve.** Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, the accumulated contributions of the member and an amount representing the excess of the actuarial value of the annuity or benefit over such accumulated contributions, shall be transferred to this reserve from the member's contribution reserve and employer's contribution reserve, respectively. All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All payments on account of any annuity made by the fund shall be charged to this reserve. Any excess balance in this reserve, as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the city's contributions for membership service for the fiscal years next following the date of such valuation. Any deficiency in this reserve shall be removed by an increase in the amount of city's contributions for future membership service.

**History:** Amended 1982 Ky. Acts ch. 166, sec. 53, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 188, sec. 90, effective July 15, 1980. -- Created 1956 Ky. Acts ch. 16, sec. 24, effective July 1, 1956.

**Legislative Research Commission Note** (11/21/96). In 1974, the Reviser of Statutes renumbered KRS 95.885 as KRS 95.991. 1980 Ky. Acts ch. 188, sec. 90, a revisory act, mistakenly changed a reference in this statute from "KRS 95.851 to 95.885" to "KRS 95.851 to 95.991." Because this change would appear to effect a substantive change in the law, it has been disregarded, and the reference has been made to read "KRS 95.851 to 95.884 and KRS 95.991" under KRS 7.123(4) and 7.136(1)(a).